



**State of Utah**  
**Department of**  
**Natural Resources**

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*Executive Director*

**Division of**  
**Oil, Gas & Mining**

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*Acting Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

April 12, 2005

Richard Schreiber  
Tintic Utah Metals, LLC  
Chief Gold Mines Inc.  
1629 Locust Street  
Philadelphia, Pennsylvania 19103-6304

Subject: Request for More Time to Abate State Cessation Orders; MC-04-01-03(1), Tintic Utah Metals, LLC, Trixie West Exploration Project, E/049/046; MC-04-01-04(1), Tintic Utah Metals, LLC, Apex/Burgin Project, M049/009; and MC-04-01-05(1), Chief Gold Mines Inc., Trixie Shaft, M/049/024, Utah County, Utah

Dear Mr. Schreiber:

This letter is in response to your March 17, 2004 letter wherein you request a 90-day extension or moratorium on further enforcement actions or fines. The Division is growing increasingly weary of the delay in addressing the abatement requirements of the outstanding Cessation Orders at the above-referenced sites. We understand Chief's predicament with regard to the EPA Consent Decree and we have already extended the abatement timeframe twice (to February 28, 2005) to accommodate your situation, with the expectation that a resolution would be forthcoming soon after the January 24, 2005 Consent Decree hearing. However, we still do not have a clear picture of the status of these mines and your intent to comply with the Utah Regulatory program.

We need and hereby ask that you provide, a thorough update on the status and expected results of the Consent Decree. This should include a specific timetable for achieving compliance with our outstanding orders.

On a related note, we have recently been made aware of concerns regarding the reclamation bonds that have been held on these sites. Inquiries to Zion's Bank indicate that one of the Certificates of Deposit held as surety may have been reduced without our knowledge. We are extremely concerned about this situation and ask that you immediately look into and resolve this situation. The bonds on these sites must remain in full force and effect until final

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reclamation and bond release. Your letter indicates your intent to resume mining at these sites. We are also hopeful that this will occur, but you will need to agree to additional bonding if you start up any operations.

We feel that the best way to address some of these issues would be to meet so that we can directly discuss them. We invite you to schedule a time that you can come to our offices if you are in the Salt Lake City area. If this is not possible, we could discuss things over a telephone conference. Please call to make arrangements.

If the above items are met, we will entertain a 60-day extension as long as you provide monthly progress reports.

Please call me at (801) 538-5349 if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Mesch', with a stylized, looping flourish at the end.

Mark Mesch  
Acting Associate Director, Mining